

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL****FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

0 3 — 0 1 0

2. STATE:

Pennsylvania

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL  
SECURITY ACT (MEDICAID)

Title XIX

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

August 13, 2003

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42, CFR 431, 434, 435, 438, and 447

7. FEDERAL BUDGET IMPACT:

a. FFY 2003 \$ 0b. FFY 2004 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

1, 9, 11, 22, 41, 45(a), 45(b), 46, 55, 71  
77, 78(a), Attachment 2.1-A (pages 1, 1(a) and  
1(b)), Attachment 2.2-A (pages 10 and 10a),  
Attachment 4.30 (page 2) and Attachment 4.34-A  
(page 1).9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):1, 9, 11, 22, 41, 45(a), 45(b), 46, 55  
71, 77, 78(a), Attachment 2.1-A (pages 1,  
1(a) and 1(b)), Attachment 2.2-A (pages  
10 and 10a) and Attachment 4.34-A (page 1).

10. SUBJECT OF AMENDMENT:

Balanced Budget Act Medicaid Managed Care Amendments

11. GOVERNOR'S REVIEW (Check One):

- ☐
- GOVERNOR'S OFFICE REPORTED NO COMMENT
- 
- ☐
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
- 
- ☐
- NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:Review and approval authority has been  
delegated to the Department of Public  
Welfare.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

*Estelle B. Richman*

13. TYPED NAME:

Estelle B. Richman

14. TITLE:

Secretary of Public Welfare

15. DATE SUBMITTED:

SEP 28 2003

16. RETURN TO:

Commonwealth of Pennsylvania  
Department of Public Welfare  
Office of Medical Assistance Programs  
Bureau of Policy, Budget and Planning  
P.O. Box 8046  
Harrisburg, Pennsylvania 17105

17. DATE RECEIVED:

FOR REGIONAL OFFICE USE ONLY

18. DATE APPROVED:

DEC 15 2003

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

8/13/03

20. SIGNATURE OF REGIONAL OFFICIAL:

*Mary T. McSorley*

21. TYPED NAME:

MARY T. MCSORLEY

22. TITLE:

ASSOCIATE REGIONAL ADMINISTRATOR  
DIVISION OF MEDICAID & CHILDREN'S HEALTH

23. REMARKS:

## LIST OF ATTACHMENTS

<u>No.</u>	<u>Title of Attachments</u>
*1.1-A	Attorney General's Certification
*1.1-B	Waivers under the Intergovernmental Cooperation Act
1.2-A	Organization and Function of State Agency
1.2-B	Organization and Function of Medical Assistance Unit
1.2-C	Professional Medical and Supporting Staff
1.2-D	Description of Staff Making Eligibility Determination
2.1A	Reserved
*2.2-A	Groups Covered and Agencies Responsible for Eligibility Determinations
	*Supplement 1 - Reasonable Classifications of Individuals under the Age of 21, 20, 19 and 18
	* Supplement 2 - Definitions of Blindness and Disability ( <u>Territories only</u> )
	* Supplement 3 - Method of Determining Cost Effectiveness of Caring for Certain Disabled Children at Home
*2.6-A	Eligibility Conditions and Requirements ( <u>States only</u> )
	* Supplement 1 - Income Eligibility Levels – Categorically Needy, Medically Needy and Qualified Medicare Beneficiaries
	*•Supplement 2 - Resource Levels – Categorically Needy, Including Groups with Incomes Up to a Percentage of the Federal Poverty Level, Medically Needy, and other Optional Groups
	* Supplement 3 - Reasonable Limits on Amounts for Necessary Medical or Remedial Care Not Covered under Medicaid
	*•Supplement 4 - Section 1902(f) Methodologies for Treatment of Income that Differ from those of the SSI Program

\*Forms Provided

Revision: HCFA-AT-80-38 (BPP)  
May 22, 1980

State: Pennsylvania

Citation  
42 CFR  
431.12(b)  
AT-78-90

1.4 State Medical Care Advisory Committee

There is an advisory committee to the Medicaid agency director on health and medical care Services established in accordance with and Meeting all the requirements of 42 CFR 431.12.

42 CFR  
438.104

X The State enrolls recipients in MCO, PIHP, PAHP, and/or PCCM programs. The State assures that it complies with 42 CFR 438.104(c) to consult with the Medical Care Advisory Committee in the review of marketing materials.

TN # 03-010  
Supersedes TN # 74-6

Effective Date 8/13/03  
Approval Date DEC 15 2003

Revision: HCFA-PM- (MB)

State/Territory: PennsylvaniaCitation42 CFR  
435.914  
1902(a)(34)  
of the Act

2.1(b) (1)

Except as provided in items 2.1(b)(2) and (3) below, individuals are entitled to Medicaid services under the plan during the three months preceding the month of application, if they were, or on application would have been, eligible. The effective date of prospective and retroactive eligibility is specified in Attachment 2.6-A.

1902(e)(8) and  
1905(a) of the  
Act

(2)

For individuals who are eligible for Medicare cost-sharing expenses as qualified Medicare beneficiaries under section 1902(a)(10)(E)(i) of the Act, coverage is available for services furnished after The end of the month which the individual is first Determined to be a qualified Medicare beneficiary. Attachment 2.6-A specifies the requirements for Determination of eligibility for this group.

1902(a)(47) and

X (3)

Pregnant women are entitled to ambulatory prenatal care under the plan during a presumptive eligibility period in accordance with section 1920 of the Act. Attachment 2.6-A specifies the requirements for Determination of eligibility for this group.

Revision: HCFA-PM-91-  
1991

(BPD)

OMB No.: 0938-

State: Pennsylvania

Citation 3.1(a)(9) Amount, Duration, and Scope of Services: EPSDT  
Services (continued)

42 CFR 441.60 /X/ The Medicaid agency has in effect agreements with continuing care providers. Described below are the methods employed to assure the providers' compliance with their agreements.

- 1) The Medicaid agency maintains agreements with managed care organizations (MCOs) licensed through certificates of authority jointly by the State's Department of Health and Insurance Department. Recipients served through those organizations will receive continuing care.
- 2) Ongoing reports generated by each MCO provide information from which the Department determines compliance with the organization's provider agreement.

42 CFR 440.240 (a)(10) Comparability of Services  
440.250

1902(a) and 1902  
(a)(10), 1902(a)(52),  
1903(v), 1915(g),  
1925(b)(4), and 1932  
of the Act

Except for those items or services for which sections 1902(a), 1902(a)(10), 1903(v), 1915, 1925, and 1932 of the Act, 42 CFR 440.250, and section 245A of the Immigration and Nationality Act, permit exceptions:

- (i) Services made available to the categorically needy are equal in amount, duration, and scope for each categorically needy person.
- (ii) The amount, duration, and scope of services made available to the categorically needy are equal to or greater than those made available to the medically needy.
- (iii) Services made available to the medically needy are equal in amount, duration, and scope for each person in a medically needy coverage group.
- /X/ (iv) Additional coverage for pregnancy-related service and services for conditions that may complicate the pregnancy are equal for categorically and medically needy.

New: HCFA-PM-99-3  
JUNE 1999

State: Pennsylvania

Citation

42 CFR 431.51  
AT 78-90  
46 FR 48524  
48 FR 23212  
1902(a)(23)  
P.L. 100-93  
(section 8(f))  
P.L. 100-203  
(Section 4113)

4.10 Free Choice of Providers

(a) Except as provided in paragraph (b), the Medicaid agency assures that an individual eligible under the plan may obtain Medicaid services from any institution, agency, pharmacy person, or organization that is qualified to perform the services, including of the Act an organization that provides these services or arranges for their availability on a prepayment basis.

(b) Paragraph (a) does not apply to services furnished to an individual –

(1) Under an exception allowed under 42 CFR 431.54, subject to the limitations in paragraph (c), or

(2) Under a waiver approved under 42 CFR 431.55, subject to the limitations in paragraph (c), or

(3) By an individual or entity excluded from participation in accordance with section 1902(p) of the Act,

Section 1902(a)(23)  
Of the Social  
Security Act  
P.L. 105-33

(4) By individuals or entities who have been convicted of a felony under Federal or State law and for which the State determines that the offense is inconsistent with the best interests of the individual eligible to obtain Medicaid services, or

Section 1932(a)(1)  
Section 1905(t)

(5) Under an exception allowed under 42 CFR 438.50 or 42 CFR 440.168, subject to the limitations in paragraph (c).

(c) Enrollment of an individual eligible for medical assistance in a primary care case management system described in section 1905(t), 1915(a), 1915(b)(1), or 1932(a); or managed care organization, prepaid inpatient health plan, a prepaid ambulatory health plan, or a similar entity shall not restrict the choice of the qualified person from whom the individual may receive emergency services or services under section 1905 (a)(4)(c).

TN # 03-010  
Supersedes TN # 91-46

Effective Date 8/13/03  
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Revision: HCFA-PM-91-9  
October 1991

(MB)

OMB No.:

State/Territory: Pennsylvania

Citation

1902 (a)(58)

1902(w)

4.13 (e)

For each provider receiving funds under the plan, all the requirements for advance directives of section 1902(w) are met:

- (1) Hospitals, nursing facilities, providers of home health care or personal care services, hospice programs, managed care organizations, prepaid inpatient health plans, prepaid ambulatory health plans (unless the PAHP excludes providers in 42 CFR 489.102), and health insuring organizations are required to do the following:
  - (a) Maintain written policies and procedures with respect to all adult individuals receiving medical care by or through the provider or organization about their rights under State law to make decisions concerning medical care, including the right to accept or refuse medical or surgical treatment and the right to formulate advance directives.
  - (b) Provide written information to all adult individuals on their policies concerning implementation of such rights;
  - (c) Document in the individual's medical records whether or not the individual has executed an advance directive;
  - (d) Not condition the provision of care or otherwise discriminate against an individual based on whether or not the individual has executed an advance directive;
  - (e) Ensure compliance with requirements of State Law (whether

Revision: HCFA-PM-91-9  
October 1991

(MB)

OMB No.:

State/Territory: Pennsylvania

statutory or recognized by the  
courts) concerning advance  
directives; and

- (f) Provide (individually or with  
others) for education for staff  
and the community on issues  
concerning advance directives.

- (2) Providers will furnish the written  
information described in paragraph  
(1)(a) to all adult individuals at  
the time specified below:

- (a) Hospitals at the time an  
individual is admitted as an  
inpatient.
- (b) Nursing facilities when the  
individual is admitted as a  
resident.
- (c) Providers of home health care or  
personal care services before the  
individual comes under the care of  
the provider;
- (d) Hospice program at the time of  
initial receipt of hospice care by  
the individual from the program;  
and
- (e) Managed care organizations, health insuring organizations,  
prepaid inpatient health plans, and prepaid ambulatory  
health plans (as applicable) at the time of enrollment of the  
individual with the organization.

- (3) Attachment 4.34A describes law of the  
State (whether statutory or as  
Recognized by the courts of the  
State) concerning advance directives.

Not applicable. No State law  
Or court decision exist regarding  
advance directives.



Revision: HCFA-PM-91-10 (MB)  
DECEMBER 1991

State/Territory: Pennsylvania

Citation

42 CFR 431.60  
42 CFR 456.2  
50 FR 15312  
1902(a)(30)(C) and  
1902(d) of the  
Act, P.L. 99-509  
(Section 9431)

4.14 Utilization/Quality Control

- (a) A Statewide program of surveillance and utilization control has been implemented that safeguards against unnecessary or inappropriate use of Medicaid services available under this plan and against excess payments, and that assesses the quality of services. The requirements of 42 CFR Part 456 are met:

X Directly

\_\_\_\_\_ By undertaking medical and utilization review requirements through a contract with a Utilization and Quality Control Peer Review Organization (PRO) designated under 42 CFR Part 462. The contract with the PRO —

- (1) Meets the requirements of § 434.6(a):
- (2) Includes a monitoring and evaluation plan to ensure satisfactory performance;
- (3) Identifies the services and providers subject to PRO review;
- (4) Ensures that PRO review activities are not inconsistent with the PRO review of Medicare services; and
- (5) Includes a description of the extent to which PRO determinations are considered conclusive for payment purposes.

1932(c)(2)  
and 1902(d) of the  
ACT, P.L. 99-509  
(section 9431)

X A qualified External Quality Review Organization performs an annual External Quality Review that meets the requirements of 42 CFR 438 Subpart E of each managed care organization, prepaid inpatient health plan, and health insuring organizations under contract, except where exempted by the regulation

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December 1991

State/Territory: Pennsylvania

Citation 4.14 Utilization/Quality Control (Continued)

42 CFR 438.356(e)

- (f) For each contract, the State must follow an open, competitive procurement process that is in accordance with State law and regulations and consistent with 45 CFR part 74 as it applies to State procurement of Medicaid services.

42 CFR 438.354

42 CFR 438.356(b) and (d)

The State must ensure that an External Quality Review Organization and its subcontractors performing the External Quality Review or External Quality Review-related activities meets the competence and independence requirements.

Not applicable.

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